

20 April 1970

Project No. 51.5567

Economic and Military Reconstruction in North Vietnam  
During March 1970

Introduction

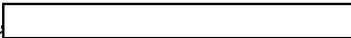
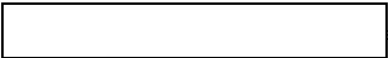
The pace of reconstruction of fixed military facilities and industrial plants and other economic developments in North Vietnam provide an indication of the regime's current policies towards support for the war in the South. This monthly report summarizes significant developments in economic and military reconstruction that might be relevant to an analysis of change in the North Vietnamese position.

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Military Construction

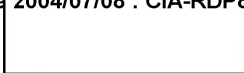
1. Two construction projects in the Southern Panhandle of North Vietnam, active since at least August 1969, seem to be shaping into permanent military training and supply facilities. One site located within five miles of Quang Khe -- a major transshipment point in the Panhandle -- and adjacent to an infiltration route to Laos, now contains several billets, storage buildings,  The second site is located near Dong Hoi, along another infiltration route to Laos.  suggest that this project will also be used for military purposes. Some agricultural reclamation activities are taking place in fields adjacent to the latter site, however, and it is possible that the construction project is actually a civilian resettlement effort.

2. Hanoi continues to work on the new petroleum pipeline into southern Laos, along Route 1039 and 1036. When completed, the pipeline will provide a more reliable source of POL products in the Tchepone area. The new pipeline will probably connect Tchepone with either Quang Khe or Dong Hoi or both, and will probably be separate from the existing pipeline system emanating from Vinh. However, Vinh would probably be the major storage area for POL ultimately destined for base areas in southern Laos; additions to the storage capacity in the Vinh area have recently been observed.



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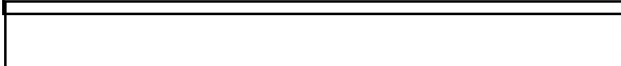


Economic Reconstruction



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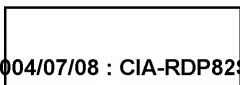
shows a continuation

of industrial construction. A small assembly-type shop addition has been completed at the Hanoi Machine Tool and Engineering Plant, the most important facility of its kind in the country. Foundations also are being constructed for a large unidentified structure in the plant grounds. Clearing activity around the Haiphong East Powerplant indicates possible restoration plans. The powerplant has been dormant since the severe bomb damage inflicted three years ago.



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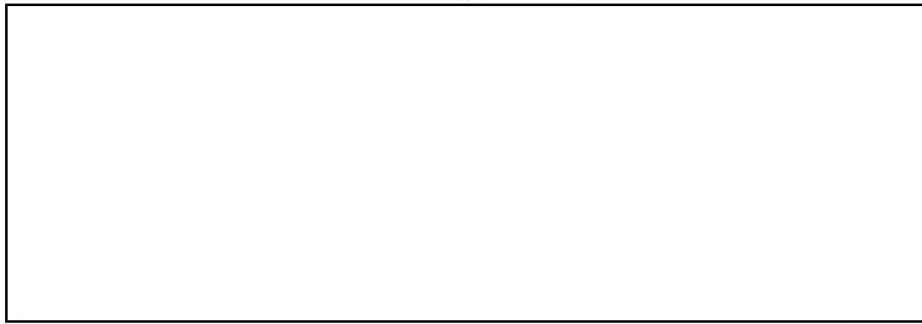
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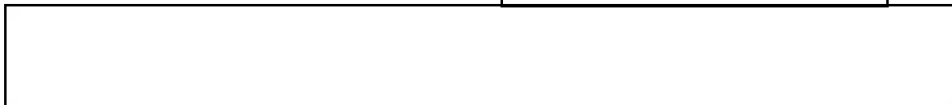
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Conclusions

11. Recently available evidence provides indications of continued efforts by North Vietnam to support the war in the South. Two military training and supply facilities appear to be under construction deep in the North Vietnamese Panhandle, some 50 to 60 miles from the Demilitarized Zone. Work continues on the new pipeline into southern Laos, apparently designed to connect the Tchepone area with Quang Khe and/or Dong Hoi.

12. The industrial picture is again one of slight progress amid unsolved problems of distribution and labor efficiency. The coal and apatite industries continue beset with difficulties -- particularly a shortage of transport facilities. Industrial construction maintained a moderate pace, while limited reconstruction efforts continued to focus upon the electric power sector.

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